G. R. S. 58
*Previous references.*

File No. 8-09

1909-10.

Serial Nos. 39, 40.

(Banking)

*Later references.*
B. 9-10. 8810, 11, 16
B 5-11 887-8 Bmay1912

# GENERAL AND REVENUE SECRETARIAT.

---

*Serial Nos.* 39, 40.

Part B. for June 1910

SUBJECT.

Agricultural Bank at Chikmagalur.

---

39, From the Deputy Comr. Kadur Dt. No. 421. D. 30-4-10.
Recommends the confirmation of the sale of Jodi Harankali of Kadur Tq, belonging to Venkamma, widow of the late Gundappa an indebted member of the above bank.

40. To the Deputy Comr. Kadur Dt. and Comptroller, No. H. 6141-2. D. 14-6-10. Confirms the sale of the lands and directs that the adjustment of the sale proceeds and the future instalments payable by Venkamma will be reported at an early date.

GPB.-8,000—7-4-07

G.R.S. 11]

190 9-10

GENERAL AND REVENUE SECRETARIAT.

(Banking

NOTES.

File No. 8

File Heading.

Agricultural Bank at Chikmagalur

From

The Dy Commr Kadur Dt

No. 421 Dated 30-4-10 Received 4-5-10

Diary No. 4492 Enclos. Nil Spare Copies Serial No. 39

Brief Abstract of Letter.

Recommends the confirmation of the sale of Lodi Hombalii of Kadur Tk belonging to Venkamma widow of the late Gundappa an indebted member of the above Bank.

NOTES AND ORDERS.

K 4218-21
& 6-1-05
Hag O.

In the order winding up the above Bank the late Mr B Gundappa of Dhuparakul estate is noted to be dealt with individually - thus showing that the estate was

Notes—First sheet

GPB—30,000—3-4-07.

Serial No.

in decent condition at the beginning of 1905
The amount of principal due by the Grandeppa was Rs 10,743-12-0 - His widow continued the payment of instalments regularly after his demise - which was highly creditable - Judging from the irregular & meagre payments made by gentlemen owners of indebted estates under similar circumstances.
The proposal for the present sale originated from the lady herself who appears to be a careful manager.
The estate in question was unremunerative & the lady decided to have it sold & pay off a portion of the debt & thus reduce the amount of annual instalments. The sale was conducted in due form
Draft approving sale

Note—Contn. sheet.

GPI—150,000—18-5-08

G. R. S. 12]
General and Revenue Secretariat.

File No. of 190

Serial No.

The draft may be approved.

Dawan

Dy Comms Kadur Dt
Comptroller
Lr No 6141-2 & 14-6-10
Confirms the sale of the lands & directs that the disposal of the sale proceeds & the future instalments payable by Venkamma will be reported in early date

6436
26-6-10

Note—Contn. sheet.

GPB—50,000—13-5-08

4492

190

From

The Deputy Commisioner,

Kadur District.

To

The Secretary to the Govt.

of Mysore, Gen. & Rev. Depts

Dated 30th

Despatched 3rd April 1910.

Received

General No. 421

No.

Enclosure No.

Recommending the confirmation of the sale of Jodi Hochihalli of Kadur Taluk belonging to Venkamma widow of the late Gundappa - member of the late Chikmagalur Agricultural Bank - on account of the arrears of loan due by him.

2

Office of the Deputy Commissioner,

Kadur District,

Dated, Chikmagalur, the 30th April 1910.

From

K.R.Srinivasa Iyengar, Esquire, M.A.,

Deputy Commissioner,

Kadur District.

To

C.S.Balasundaram Iyer, Esquire, B.A.,B.L.,

Offg: Secretary to the Government of Mysore,

General and Revenue Departments.

Sir,

I have the honor to report that the late B.Gundappa, member of the late Chikmagalur Agricultural Bank, owed the bank at the time that it was wound up Rs. 10943-12-0 towards the principal of the loan borrowed from it and Rs. 2214-10-4 towards the accumulated interest. The annual instalment payable by him on this account amounted to Rs. 915-15-6. After his death, his widow Venkamma, succeeded to his property and the debts. She paid one instalment in 1905-06; and anotner in 1907-08; and a sum of Rs. 47-15-7 was recovered by sale for land revenue arrears of a wet land in 1908-09. Thus, up to the end of 1908-09, the total receipts from her amounted to Rs. 1907-6-0, of which Rs. 27-7-5 was credited towards interest on the arrears of instalment. For the recovery of the remaining instalments steps were in progress. Meanwhile, Venkamma's Agent, S.Venkata Rao, appeared before me with a General Power of Attorney given him by the lady and presented a petition on the 1st February 1910, praying that as the Jodi lands in the village of Hochihalli, in the Kadur Taluk, belonging to Venkamma, which were mortaged to the Agricultural Bank, were found to be unprofitable to her and were not being properly looked after by the persons to whose management they had been entrusted they might be sold and the sale proceeds taken in

payment of the arrears of instalments. Later on, that is, on the first day of March 1910, he produced an intending purchaser of the said property be name Kesaviah who made an offer of Rs. 2500/- for it and deposited a sum of Rs. 1000/- as @ earnest money. The property was thereupon advertized for sale on the 12th April and the Sub Divisional Assistant Commissioner was asked to personally conduct the sale on that day. He accordingly held the sale with the result that Kesavian himself was the highest bidder, his bid amounting to Rs. 2700/- for Venkamma's right, title and interest in the Jodi village of Hocninally, of which she is said to own a sixth part.

He has immediately after the close of the sale produced Rs. 1200/- ( making Rs. 2200/- on the whole with the sum of Rs. 1000/- which he had deposited as earnest money) and has promised to pay the balance of Rs. 500/- within the period prescribed in the sale notification. The sale has been regularly conducted, and it is ascertained that the price realized for the lands is quite adequate and fair.

I beg, therefore, to recommend that the sale may be confirmed. The amount of Rs. 2700/- now realized will fully cover the instalments in arrears against Venkamma ~~and~~ as also a portion of the current year's instalment which falls due by the end of June next.

I have the honor to be,

Sir,,

Your most obedient servant,

S. Chamarao

Deputy Commissioner,

Kadur District.

READ—

(1) Letter No. 3 A.—G. B., dated 29th August 1904, from the Deputy Commissioner of Hassan, reporting on the condition of the Coffee Bank at Saklespur, and recommending that it should be wound up under Article 74 of the Rules of Association.

(2) Letter No. A, dated 18th November 1904, from the Deputy Commissioner of Kadur, reporting on the condition of the Coffee Bank at Chikmagalur.

---

No. FL. 4218-21—B., 33-04-11, DATED BANGALORE, 6TH JANUARY 1905.

ORDER THEREON.—The Saklespur and Chikmagalur Coffee Banks were started in 1887 with a capital of three and four lakhs respectively, lent by Government at four per cent interest per annum. The aggregate value of the property held by the members of the Saklespur Bank was estimated at the time at Rs. 10,73,675 with an encumbrance of Rs. 2,66,900, and that of the Chikmagalur Bank was estimated at Rs. 6,67,566 with an encumbrance of only Rs. 32,000. According to the reports now furnished by the Deputy Commissioners of Hassan and Kadur, the financial position of both these Banks at the end of the past official year was one of hopeless insolvency. The total amount due to Government including arrears of interest and working advances was Rs. 5,00,730 from the Saklespur Bank and Rs. 3,53,727 from the Chikmagalur Bank. According to valuations recently made by Mr. Pilkington, Inspector of Coffee Estates, the total value of the properties hypothecated to the former Bank had depreciated to about Rs. 2,85,000, and that of those hypothecated to the latter Bank to Rs. 2,63,500.

2. It is a matter for great regret that all efforts to revivify these Banks and keep them in existence have failed, and several of the members themselves, whose estates are not past all redemption, have applied for release from the condition of joint obligation, which has now become to them a disadvantage. When prices began to fall in 1896 after a period of prosperity, the owners of estates became heavily indebted to private creditors, and the amounts advanced by Government after the formation of the Banks appear mainly to have gone towards the liquidation of old debts and very little could, therefore, be spent for the improvement of the estates. The estates appear also to have been accepted at a valuation so far in excess of their true value that the rule that loans should not exceed ⅓ of the value of the properties was practically nullified.

3. When the Banks thus became hopelessly embarassed, a concession was shown by authorizing the members to procure loans for the annual up-keep on the security of the standing crops, but owing to want of sufficient interest in working the estates and despair also of ever recovering lost ground on the part of some of the members and want of confidence on the part of private lenders, the arrangement did not work successfully; and it became necessary to arrest further deterioration of the estates and as far as possible maintain their value for the safety of the loans advanced by Government. With this object, an arrangement was sanctioned in November 1902 to advance to these two Banks, for a few years, such sums of money as were necessary for their working expenses and as could be got back from the year's out turn of crop. Accordingly, an annual grant of Rs. 60,00 ) for the Chikmagalur Bank and of Rs. 50,000 for the Saklespur Bank were given. It is disappointing however, to find that every effort made to sustain these Banks has merely resulted in swelling the debt due to Government.

4. The total amount advanced to the Saklespur Bank for the maintenance of the estates in 1903-04 was Rs. 23,284 but the receipts from crop after deducting assessment amounted only to Rs. 9,099. The total value of average crop for the past seven years has varied between Rs. 25,000 and Rs. 33,000. Similarly, the allotment for working expenses for the Chikmagalur estates for 1903-04 was Rs. 33,510 and the total receipts from crop amounted only to Rs. 26,812. The value of average

crop for the past six years in the case of these estates has varied between Rs 42,150 and Rs. 56,200. These figures clearly go to show that there is no margin left, at any rate at present, either for payments towards the old debts in part, or towards the working expenses in full. This is a condition which is opposed to all sound business principles, and requires immediate consideration to avoid throwing away more money.

5. Of the alternatives, that of keeping alive the Banks, is thus out of question. The remaining alternatives, are, firstly, the extinction of the Banks and immediate recovery of the loans due from them by coercive measures ; and, secondly, the dissolution of the Banks followed by direct and gradual recoveries from the members according to fresh stipulations to be made with them individually without selling the estates where possible. The Government of His Highness the Maharaja consider that immediate forcible recovery would be disastrous to even some of the solvent members and that the most equitable course therefore is to substitute individual liability instead of the present joint liability. They accordingly direct that as a preliminary to dealing with the members individually, the Deputy Commissioners of Hassan and Kadur will take action for winding up these Banks under Article 75 of the Rules of Association. After the Banks are wound up, the following broad principles will be observed in dealing with the estates individually :—

(1) Such members as pay up their debts at once or within a time to be fixed are to be allowed a remission equivalent to the difference between the rate at which they have agreed to the Bank and the rate of four percent at which Government have advanced money.

(2) In the case of members who are not able to pay as stated in (1), the Deputy Commissioner will proceed at once to distinguish those estates which may profitably be improved from those which cannot be so dealt with.

(3) In the case of those estates which are hopeless of improvement or cannot be profitably improved, they are to be sold for what they are fairly worth. In exceptional cases when the estates are likely to fetch wholly inadequate prices, they may be bought in by Government and managed either through the agency of neighbouring planters, or in any other way which may be found most advantageous, till such time as they can be disposed of without material loss.

(4) The owners of the estates which may be improved are to be required to state in how many annual instalments, generally not exceeding 20, they would repay their debt and to execute fresh agreements offering their other properties, if any, as collateral security, these loans being thenceforward treated as loans under the Land Improvement Regulation.

(5) Advances for working expenses are to be made in exceptional cases on the security of the standing crops, under such safeguards as the Deputy Commissioners may devise.

(6) If any instalment is not duly paid up, it should be recovered as an arrear of land revenue.

(5) The appended lists (I and II) contain remarks against each estate based upon the above principles, and the Deputy Commissioners are requested to take action accordingly, or report to Government if in any of these cases they prefer reconsideration taking any other course.

B. K. VENKATA VARADA IYENGAR,
*Secy. to Govt., Gen. & Rev. Dept.*

o—The Deputy Commissioners of Hassan and Kadur for communication to the Banks concerned and for necessary action.

The Revenue Commissioner for information.

The Comptroller to the Government of His Highness the Maharaja of Mysore.

Exd—G.S.

*Financial, (Banking), dated 6th January 1905.*

## LIST I.

### Chikmagalur Estates.

| Name | Estate | How to be dealt with |
|---|---|---|
| 1 Mr. C. Basavegowda ... ... | Karkanhalli, Attigiri ... ... | To be dealt with individually. |
| 2 B. Gundappa ... ... | Dhuparakul ... ... | Ditto |
| 3 Sheikalli Saib ... ... | Gadabanhalli, Hittigekal, Koparikan ... | Ditto |
| 4 Chondregowda ... ... | ..... | Ditto |
| 5 Abdulkhadar Sab ... ... | Dodda Tata, Mullu Tota ... ... | To be sold or managed temporarily under Government agency. |
| 6 Jagannatha Rao ... ... | Tundamundlan ... ... | Do to be sold. |
| 7 K. Sivappa Setty ... ... | Arsinguppe ... ... | To be sold with individually. |
| 8 Veerannegowda and Chennabasappa Setti. | Kottankul, Bisagin Matt ... ... | Ditto |
| 9 T. Channabasappa Setti ... ... | Yemmakan, Garikan, Arsinguppe, other property | Ditto |
| 10 B. Ranganna ... ... | Dewankan ... ... | Ditto |
| 11 M. Ganesa Rao ... ... | Wattekan ... ... | To be sold. |
| 12 K. Hanumantha Rao ... ... | Giri Teggan ... ... | To be dealt with individually. |
| 13 V. Shama Rao ... ... | Adikal ... ... | Sell making further investigation. |
| 14 C. Vasudev Rao ... ... | Kankan Doddi, Bettadakan, Hirekan Matt Jungle. | To be dealt with individually. |
| 15 T. Raghavendrappa ... ... | Gudalkan ... ... | Ditto |
| 16 C. Srinivasa Rao ... ... | Hirekan Matt, Malgar, Bakkekan Jungle. | Ditto |
| 17 S. G. Raja Rao ... ... | Hosmathilldeve ... ... | To be sold. |
| 18 B. Seetharamaiya ... ... | Marigudikal ... ... | To be dealt with individually. |
| 19 Sivaji Ramachendra Rao ... ... | Chegutekan ... ... | To be sold |
| 20 B. Ranga Rao ... ... | Megal Tota, Arsinguppe ... ... | To be dealt with individually. |

## LIST II.

### Saklespur Estates.

| Name | Estate | How to be dealt with |
|---|---|---|
| 1 Udewar Brothers ... ... | Udewar ... ... | To be worked under Government agency for some time to come. |
| 2 Mr. Appajigowda ... ... | Nirgalalli, Hokkalhalli, Noulhalli and Thippapur. | To be dealt with individually. |
| 3 H. Lala Saib ... ... | Henly, Halasulige, Kakkannove ... | Ditto |
| 4 T. Usman Saib ... ... | Golgonde, Kakannove, Belgode ... | Ditto |
| 5 Abdul Rahiman Sab ... ... | Narve, Hegadi Nikkanhalle ... ... | Ditto |
| 6 M. N. Subbaiyya ... ... | Malalli, Hadige ... ... | To be bought in and sold |
| 7 W. Manjayya ... ... | Bikere, Nagar ... ... | To be dealt with individually. |
| 8 K. Basavegowda ... ... | Kirehalli ... ... | To be sold at once. |
| 9 S. Srikantiah ... ... | Sundikere ... ... | To be dealt with individually or sold if necessary. |
| 10 M. Kallappa ... ... | Matt Sagar ... ... | Ditto |

1904-05

GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE

---

FINANCIAL (BANKING)

---

PROCEEDINGS

*Dated 6th January 1905*

No.—Fl. 4218-21
B. 33-04-11

---

Directing the winding up of the Coffee Banks at Saklespur and Chikmagalur and issuing certain instructions as to future dealings with the indebted estates as to how the individual estate of each member should be dealt with.

---

SBP—1-3-65—350

G.R.S. 28.]

13/6/10.

File No. 8

Serial No. 40

*Diary No. of letter replied to* 4492

*Proceedings of the Government of His Highness the Maharaja of Mysore.*

GENERAL AND REVENUE SECRETARIAT.

Bangalore

, *the* 19

Date of issue 14 June 1910

Signed by W. Rama Iyer

READ—

Letter No 421 / 3rd May 1910 from the Dy Commr Kadur Dt recommending the confirmation of the sale of Jodi Nanchallappa Kadur Tk. belonging to Venkamma widows of the late Sri Gundappa an indebted member of the late Syd Bank Ltd Chikmagalur.

ORDER THEREON. ~~No.~~ No. 11 June 10 No 26,644-2 order thereon—

It is reported by the Dy Commr that the late

14-6-1910

over

SUBJECT.

GPB—5,000—7-5-09

Typed Rakshinath 13/6/10

her husband died to the late Chickmagalur Agri Bank and the sum it has found us Rs-10943-12-0 towards principal + Rs-2214-10-4 towards accumulated interest. The annual instalment payable towards the amount having increased at Rs-915-15-6- ~~that~~ shortly after her husband died Smt Gaffe widow Venkamma ~~her wife~~ continued. The regular payment of instalments till 1907-08 ~~that~~ finding ~~the~~ her one sixth share of Jodi Kachchalli lands in the Kadur Tk ~~was~~ remunerative which were mortgaged to the Bank by her husband towards this debts, unremunerative she decided to sell it + adjust the sale proceeds ~~towards~~ realised

G.R.S. 27]

GENERAL AND REVENUE SECRETARIAT.

(*Continuation Sheet draft form.*)

towards the amount due ~~to~~ to the Bank & accordingly the lands were duly put up to auction & ~~knocked down~~ sold to one Veerareh for Rs 2700. It is further stated that the sale was regularly conducted, that the price realised is adequate & fair. & the Dy Commr recommends its confirmation.

In these circumstances Govt are pleased to confirm the sale. ~~& request as to~~ the adjustment of the sale proceeds towards ~~the balance it has effected~~ the amount of future instalments payable by Venkamma will be reported for ~~submitted~~ at an early date.

Secretary

To the Dy Commr Kolar
" Comptroller

1/925-10-

MGCPB—30,000—5-4-05.